

**CITY OF SHREVEPORT  
INTERNAL AUDIT OFFICE  
AUDITING ALERT AA2008-07**

**Date:** March 31, 2008  
**To:** Elizabeth Washington  
Director of Finance  
**Subject:** Eligibility Review of Board Appointees

**Introduction**

The Internal Audit Office has completed limited scope work regarding the above-referenced concern. Our work resulted from an observation made by a member of the Internal Audit staff during a determination of whether a board appointee owed monies to the City. Our objective was to determine if the review for monies owed was complete and accurate. The methodology used included discussions with personnel and review of procedures. Our work was performed in accordance with applicable generally accepted governmental auditing standards as defined in Operating Instruction A.50 of the Internal Audit Office Operating Instructions Manual. The scope of the study of internal control was limited to examining the general controls surrounding the specific issues addressed.

**Observations/Recommendations**

**1. Eligibility Review of Board Appointees**

**Background:** For board appointees, the Finance Department, Revenue Compliance Section determines whether an appointee owes the City any monies.

**Criteria:** Eligibility review of board appointees should include determining all monies owed to the City.

**Condition:** Internal Audit (IA) was requested to determine whether a board appointee owed the City any monies. IA contacted the Finance Department, Revenue Compliance Section and the Finance Department, Purchasing Division to determine their procedures for reviewing board appointees. Through discussion, IA noted that the Finance Department, Revenue Compliance Section and the Finance Department, Purchasing Division reviewed the following billing systems to determine monies owed: Occupational License Tax, Property Standards, Water Billing, False Alarms, Street Assessments, Garbage & Back Door Garbage, Landfill, and Immovable/Movable Taxes.

However, while the Finance Department, Purchasing Division reviewed the list of ineligible businesses from the Community Development Department, the Finance Department, Revenue Compliance Section did not.

**Effect:** The determination of monies owed did NOT include all areas in which monies could be owed.

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**Cause:** The Finance Department, Revenue Division was not aware of the information provided by Community Development regarding ineligible businesses.

**Recommendation:** We recommend that the Finance Department, Revenue Compliance Section obtain and utilize as part of the determination of monies owed, the ineligible businesses list from the Community Development Department.

**Management Plan of Action:** The Revenue Division is aware of the list of Community Development Department debtors and has added the information for use in their check of monies owed the City.

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